

AN ACT

relating to the creation of a temporary health insurance risk pool.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1510 to read as follows:

CHAPTER 1510. TEMPORARY HEALTH INSURANCE RISK POOL

Sec. 1510.001. DEFINITION. In this chapter, "pool" means a temporary health insurance risk pool that is established and administered by the commissioner under this chapter.

Sec. 1510.002. ESTABLISHMENT OF TEMPORARY HEALTH INSURANCE RISK POOL. To the extent that federal funds become available under federal law, regulation, or executive action after March 1, 2017, the commissioner may:

(1) apply for such funds; and

(2) use such funds to establish and administer a temporary health insurance risk pool for the purposes of this chapter.

Sec. 1510.003. PURPOSE OF POOL. (a) The exclusive purpose of the pool is to provide a temporary mechanism for maximizing available federal funding to assist residents of this state in obtaining access to quality health care at minimum cost to the public.

(b) The pool may not be used to expand the Medicaid program, including the program administered under Chapter 32, Human

1 Resources Code, and the program administered under Chapter 533,
2 Government Code.

3 Sec. 1510.004. PROVISION OF COVERAGE. Subject to any
4 requirements for obtaining federal funds held in the pool, the
5 commissioner may use pool funds:

6 (1) to provide alternative individual health
7 insurance coverage to eligible individuals that does not diminish
8 the availability of traditional commercial health care coverage;

9 (2) to provide funding to individual health benefit
10 plan issuers that cover individuals with certain health or cost
11 characteristics in exchange for lower enrollee premium rates; or

12 (3) to provide a reinsurance program for health
13 benefit plan issuers in the individual market in exchange for lower
14 enrollee premium rates.

15 Sec. 1510.005. CONTRACTS AND AGREEMENTS. (a) The
16 commissioner may enter into a contract or agreement that the
17 commissioner determines is appropriate to carry out this chapter,
18 including a contract or agreement with:

19 (1) a similar pool in another state for the joint
20 performance of common administrative functions;

21 (2) another organization for the performance of
22 administrative functions; or

23 (3) a federal agency.

24 (b) The commissioner may contract for stop-loss insurance
25 for risks incurred under this chapter.

26 Sec. 1510.006. FUNDING. (a) The commissioner may use
27 funds appropriated to the department to:

1 (1) apply for federal funding and grants; and

2 (2) administer this chapter.

3 (b) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.
4 1367), Acts of the 83rd Legislature, Regular Session, 2013, the
5 commissioner may use money appropriated to the department from the
6 healthy Texas small employer premium stabilization fund for the
7 exclusive purposes of this chapter, other than for paying salaries
8 and salary related benefits.

9 (c) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.
10 1367), Acts of the 83rd Legislature, Regular Session, 2013, the
11 commissioner shall transfer money from the healthy Texas small
12 employer premium stabilization fund to the Texas Department of
13 Insurance operating account in an amount equal to the amount of
14 money appropriated to the department from that fund, as described
15 by Subsection (b), for the direct and indirect costs of the
16 exclusive purposes of this chapter.

17 (d) Except as provided by Subsections (a) and (b), the
18 commissioner may not use any state funds to fund the pool unless the
19 funds are specifically appropriated for that purpose.

20 (e) The commissioner may use federal funds to administer
21 this chapter, as appropriate.

22 Sec. 1510.007. PUBLIC EDUCATION AND OUTREACH. (a) The
23 commissioner may use funds appropriated to the department for the
24 exclusive purposes of this chapter to develop and implement public
25 education, outreach, and facilitated enrollment strategies under
26 this chapter.

27 (b) The commissioner may contract with marketing

1 organizations to perform or provide assistance with the strategies
2 described by Subsection (a).

3 Sec. 1510.008. WAIVER. (a) The commissioner may apply to
4 the United States secretary of health and human services:

5 (1) under 42 U.S.C. Section 18052 for a waiver of
6 applicable provisions of the Patient Protection and Affordable Care
7 Act (Pub. L. No. 111-148) and any applicable regulations or
8 guidance; or

9 (2) under any applicable provision of federal law
10 enacted on or after May 1, 2017, for a waiver of applicable
11 provisions of any federal law, regulations, or guidance with
12 respect to health insurance coverage consistent with Section
13 1510.003.

14 (b) The commissioner may take any action the commissioner
15 considers appropriate to make an application under this section.

16 (c) The commissioner may implement a state plan that meets
17 the requirements of a waiver granted in response to an application
18 under Subsection (a) if the plan is:

19 (1) consistent with state and federal law; and

20 (2) approved by the United States secretary of health
21 and human services.

22 Sec. 1510.009. ADDITIONAL AUTHORITY. In addition to the
23 powers granted to the commissioner under this chapter, the
24 commissioner may exercise any authority that may be exercised under
25 the law of this state by:

26 (1) a reinsurer; or

27 (2) a health benefit plan issuer authorized to write

1 health benefit plans in this state.

2 Sec. 1510.010. RULES. The commissioner may adopt rules
3 necessary to implement this chapter, including rules to administer
4 the pool and distribute money from the pool.

5 Sec. 1510.011. EXEMPTION FROM STATE TAXES AND FEES.
6 Notwithstanding any other law, a program created under this chapter
7 is not subject to any state tax, regulatory fee, or surcharge,
8 including a premium or maintenance tax or fee.

9 Sec. 1510.012. ANNUAL REPORT OF POOL ACTIVITIES.

10 (a) Beginning June 1, 2018, not later than June 1 of each year, the
11 department shall submit a report to the governor, the lieutenant
12 governor, and the speaker of the house of representatives.

13 (b) The report submitted under Subsection (a) must:

14 (1) summarize the activities conducted under this
15 chapter in the calendar year preceding the year in which the report
16 is submitted; and

17 (2) include information relating to:

18 (A) net written and earned premiums;

19 (B) plan enrollment;

20 (C) administration expenses; and

21 (D) paid and incurred losses.

22 Sec. 1510.013. EXPIRATION OF CHAPTER. This chapter expires
23 August 31, 2019.

24 SECTION 2. Notwithstanding Section 6(d)(2), Chapter 615
25 (S.B. 1367), Acts of the 83rd Legislature, Regular Session, 2013,
26 on the effective date of this Act, the commissioner of insurance
27 shall transfer any money remaining outside the state treasury in

1 the Texas Treasury Safekeeping Trust Company account established
2 under Section 6(c), Chapter 615 (S.B. 1367), Acts of the 83rd
3 Legislature, Regular Session, 2013, to the healthy Texas small
4 employer premium stabilization fund.

5 SECTION 3. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2087 passed the Senate on April 26, 2017, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 22, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 2087 passed the House, with amendments, on May 17, 2017, by the following vote: Yeas 117, Nays 23, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor